



WORLD SUSTAINABLE DEVELOPMENT SUMMIT 2022

**TOWARDS A RESILIENT PLANET:
ENSURING A SUSTAINABLE AND EQUITABLE FUTURE**

February 16-18, 2022 (Virtual)



McKinsey
& Company

From Grey to Green: Roadmap for India on the Path to Net Zero

THEMATIC TRACK SUMMARY

Venue: Sundarbans

Date: February 16, 2022

Time: 11:30 AM - 01:00 PM (IST)

Suggested Citation

World Sustainable Development Summit (2022), From Grey to Green: Roadmap for India on the Path to Net Zero, Thematic Track Summary (Rapporteur: Vatsala Sharma), New Delhi: The Energy and Resources Institute.

Actionable Messages

Message 1: To take forward the agenda of carbon neutrality, a strong climate policy package needs to be backed by financial resources. Therefore to realise the vision of carbon neutrality and to safeguard our environment, various innovative mechanisms needs to devised to mobilize additional finances.

Message 2: There is an inherent employment loss for people working in coal sector once countries gradually shut down thermal power plants in order to switch to renewable energy. The alternative economic scenario of net zero emission envisaged by countries must not come at the cost of huge loss of employment of people and increased poverty. Carbon neutrality needs to ensure just transition which safeguards people's jobs and ensures their prosperity.

Message 3: Carbon neutrality demands that all major economic systems transform themselves to bring alive the vision of carbon neutrality. This includes production, consumption and creating awareness. This requires that all sectors of the economy are completely transformed to unitedly work towards net zero emission.

Message 4: The fact that countries need additional financial resources to meet their carbon neutrality targets is no hidden fact. Developing world needs to stop looking at international organizations for finance but rope in private sector for financing green transition especially in the context of climate change mitigation.

Message 5: Carbon neutrality is all about creating an alternate sustainable economic system. This requires intensive inflow of finances into creating greener solution. Considering this transition as an economic opportunity, green transition needs economic liberalization for all economic agents of the economy.



Narrative

After the UNFCCC brought out the 1.5 degree C report in 2018, there was an increased focus of nations to commit carbon neutrality. And adhering to the commitment is the need of the hour. Several countries have already voluntarily committed carbon neutrality.

After the announcement of carbon neutrality by India for 2070, the thematic track discussed on opinions of various experts on the pathway to net zero by India. Unanimously the panelists agreed that the 2070 Net Zero target is important and must be achievable. Various modelling exercises already found that net zero transition has non-economic benefits like health improvement other than ensured economic benefits in terms of GDP growth and job opportunity. Various ways to reach the net zero goal were suggested by speakers along with highlighting important ancillary socio-economic dimensions to this transition. It is a stated fact that GDP and rate of carbon emission share a positive relationship and carbon neutrality depends on this relation.

There is a need to develop a green growth model which will decouple GDP and carbon emission, and that shall be the new paradigm of development. Based on long term commitment of net zero by 2070, short term and medium term action plan needs to be chalked out at the earliest and to follow that path is very crucial. In a country like India, the action plans will differ for different states, as per their clean energy potential, and socio-economic characteristics. Achievement of carbon neutrality requires a humungous amount of finances and to commit carbon neutrality considering that only international agencies or developed countries to be the sole provider of money for net zero needs to be done away with. Developing countries need to devise their own ways to finance green transition and carbon neutrality of their country.

A less used resource for financing, India needs to tap the potential of private sector to meet the monetary gaps for achieving net zero target. This requires opening up the green growth sector for private players. However, along with private sector, government needs finance significantly especially in infrastructure.

Realizing net zero requires a transition away from fossil fuels to cleaner sources of energy like solar, hydrogen energy. Talking particularly about India, phasing out of coal as a major source of energy is the need of the hour. But this transition from thermal powered to renewable energy will put as many as 1.5 million people out of job. Green transition therefore needs to ensure just transition, which is an opportunity to get reliable energy access, clean mobility, women related jobs, thermal comfort in housing.

Making Words Count @WSDS 2022

“ For carbon neutrality we need to mobilise humungous amount of finances. Carbon neutrality depends on GDP and rate of emission growth.

Mr R R Rashmi
Distinguished Fellow, TERI

“ All major economic systems need to be transformed to net zero. Transition to net zero will leave us with many opportunities.

Mr Naveen Unni
Partner, McKinsey & Company & Leader of McKinsey's Sustainability, India

“ Some sort of carbon pricing needs to be discussed. We want Electric Vehicle, we want clean energy, do we want it in a closed world or we want it in an open environment, which has competition. No finance is going to come from UNFCCC but we need to mobilise G20.

Dr M S Ahluwalia
(former Deputy Chairman of Planning Commission, Government of India)

“ There is a liner relationship between GDP and CO2 emission and India has a unique position, where the relation between GDP and CO2 emission is large and huge. Can we have a carbon neutral India? Yes, by having a suitable policy package in place. State are the one implementing the carbon neutrality, they need to develop the pathways.

Dr Anshu Bharadwaj
CEO, Shakti Sustainable Energy Foundation

“ If there is a phasing out of coal, 1.5 million jobs will be lost in coal sector, but if we decide to stretch it out, there will still be 1.2 million jobs in the sector. For scaling up renewable energy, there needs to be investment in battery storage and use natural gas.

Ms Ulka Kelkar
Director – Climate, WRI India

“ Net –zero gives certainty to market but credibility needs to come in and this will come when long term plan on India's carbon neutrality comes in. Net Zero is not an environment debate, it is an economic debate.

Dr Vaibhav Chaturvedi
Fellow, Council on Energy, Environment and Water